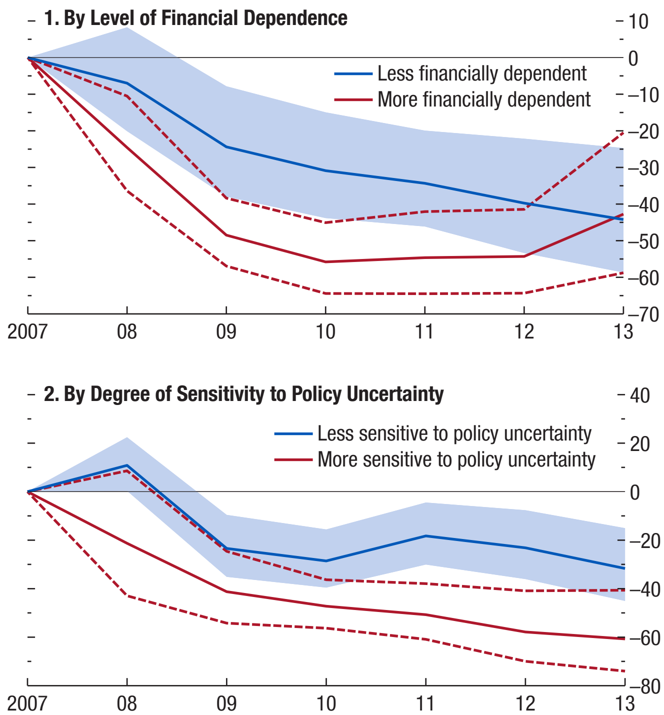
Figure 4.12. Firm Investment since the Crisis, by Firm Type

(Percent; impulse responses based on local projection method)

Firms in sectors that are more financially dependent cut investment more sharply than other firms, particularly early in the crisis. Firms in sectors that are more sensitive to policy uncertainty also reduced investment by more than other firms.



Sources: Thomson Reuters Worldscope; and IMF staff calculations.
Note: Less (more) financially dependent and less (more) sensitive firms are those in the lowest (highest) 25 percent of the external dependence and news-based sensitivity distributions, respectively, as described in the chapter. Shaded areas (less dependent/sensitive) and dashed lines (more dependent/sensitive) denote 90 percent confidence intervals. Sample includes all advanced economies except Cyprus, Latvia, Malta, and San Marino.